

Harlan Municipal Utilities

AFSCME Council 61 (Public Works)

7/1/2004

6/30/2007

Collective Bargaining Agreement

BETWEEN

HARLAN MUNICIPAL UTILITIES

AND

AFSCME LOCAL 1014

JULY 1, 2004

TO

JUNE 30, 2007

Table of Contents

PREAMBLE	3
ARTICLE I - RECOGNITION	3
ARTICLE II - CHECK OFF	4
ARTICLE III - EMPLOYER AND UNION RIGHTS AND RESPONSIBILITIES	4
ARTICLE IV - GRIEVANCE PROCEDURE	5
ARTICLE V - DEFINITIONS	7
ARTICLE VI - TRANSFERS	8
ARTICLE VII - HOURS OF WORK	8
ARTICLE VIII - LAYOFFS	10
ARTICLE IX - HOLIDAYS	11
ARTICLE X - VACATIONS	12
ARTICLE XI - LEAVES OF ABSENCE	13
ARTICLE XII - MISCELLANEOUS	17
ARTICLE XIII - SAFETY	19
ARTICLE XIV - HEALTH INSURANCE	20
ARTICLE XV - WAGE ADMINISTRATION	21
ARTICLE XVI - COMPLETE AGREEMENT AND SAVINGS CLAUSE	22
ARTICLE XVII - DURATION OF AGREEMENT	23
INSCRIPTION	24
APPENDIX A	25
APPENDIX B	26

PREAMBLE

This Agreement entered into by Harlan Municipal Utilities, hereinafter referred to as the Employer, and Local 1014-1, Iowa Council 61, American Federation of State, County and Municipal Employees, AFL-CIO, hereinafter referred to as the Union, has its purpose the promotion of harmonious relations between the Public Employer and the Union; the establishment of an equitable and peaceful procedure for the resolution of differences; and the establishment of rates of pay, hours of work and other conditions of employment.

ARTICLE I RECOGNITION

Section 1. The Public Employer recognizes the Union as the exclusive bargaining agent for the purpose of establishing wages, hours and other conditions of employment for all of its Employees in the following bargaining unit as set forth in the Public Employee Relations Board amended certification order, Case No. 6157.

INCLUDED IN THE BARGAINING UNIT:

Water System Technician, Water System Maintenance Technician, Gas/Meter Foreman, Gas Serviceman/Meter Reader, Gas/Meter Serviceman, Gas/Meter Technician, Journeyman Lineman, Lineman Apprentice, Customer Service Technician-Installer, Customer Service Technician-Service Repair, Customer Service Technician-Maintenance, Customer Service Technician-Lead, Engineering Aide/Safety Coordinator, General Maintenance/Stores Clerk, Customer Service Representative-Utilities, Customer Service Representative-Telecommunications, Receptionist/Bookkeeper, Marketing Associate.

EXCLUDED FROM THE BARGAINING UNIT:

General Manager, Chief Financial Officer, Director of Marketing and Stakeholder Relations, Superintendent Gas/Meter, Superintendent Water, Superintendent Electric Distribution, Superintendent Telecommunications, Water System Foreman, Electric Distribution Foreman, Purchasing Agent, Receptionist/Payroll Clerk, and all other persons excluded by Section 4 of the Act.

Section 2. The Employer agrees that if other classifications are established, which come under the jurisdiction of the Union, the Union will be notified and provided an opportunity to negotiate an adjustment in the proposed rate of pay. If the parties cannot agree on a rate of pay, the utilities' proposed rate shall be in effect for the remainder of the contract term. The Union may then seek to adjust the rate of pay in the next contract negotiations, up to and including arbitration. If the parties cannot agree whether a new classification is within the jurisdiction of the Union, the issues will then be resolved by the Public Employment Relations Board, and not through grievance arbitration.

ARTICLE II CHECK OFF

The Employer agrees to deduct the Union membership initiation fee, assessment and, once each pay period, dues from the pay of those Employees who individually request in writing that such deductions be made. The amounts to be deducted shall be certified monthly to the Employer by the Treasurer of Iowa Council 61, and the aggregate deductions of all Employees shall be remitted monthly, together with an itemized statement, to AFSCME Iowa Council 61 after such deductions are made. The Employer shall include a list of all Employees who had dues deducted from their paycheck. This list shall have the Employee's name, social security number, address, and the amount of dues withheld.

The Employer agrees to deduct from the wages of any employee who is a member of the Union a people deduction as provided for in a written authorization. Such authorization must be executed by the employee and may be revoked by the employee at any time by giving written notice to the Employer and the Union. The Employer agrees to remit any deduction made pursuant to this provision, within fifteen (15) days from the pay date of such payroll deductions, the Employer shall remit the amounts thereof showing the names, address, social security number and amount of dues withheld, of employees of AFSCME/IOWA Council 61.

ARTICLE III EMPLOYER AND UNION RIGHTS AND RESPONSIBILITIES

Section 1 - General Responsibilities. The Union recognizes its responsibilities as the exclusive bargaining agent of the Employees, and realizes that in order to provide maximum opportunities for continuing employment, good working conditions, and good wages the Utility must be able to operate efficiently and at the lowest possible cost consistent with fair labor standards. The parties, therefore, agree they will earnestly strive to improve and strengthen good will between and among the Utility, the Employees, the Union, and the public. Accordingly, the Union agrees for itself and for Employees of the Utility in the bargaining unit that they will individually and collectively perform safe, efficient, and diligent service; that they will use their influences and best efforts to protect the property and reputation of the Utility and its interests, and they will cooperate in promoting and advancing the welfare of the Utility and its service to customers at all times as a matter of enlightened self-interest.

The Utility agrees, on its part, that it will cooperate with the Union to promote safe operations and harmony and efficiency among the Employees covered by this Agreement.

The Employer and Union jointly and mutually declare it to be their purpose and intent to carry out in good faith the provisions of this Agreement and to engage in no subterfuge for the purpose of defeating or evading the provisions hereof.

Section 2 - Management Rights. Except as otherwise specifically provided in this Agreement, the Utility retains the right to exercise all the rights and functions of management, including those set forth in law, and such exercise shall not be subject to the grievance procedure, arbitration or prior negotiation during the term of this Agreement.

Section 3 - Union Rights. The Employer will not interfere with the right of its Employees to become members of the Union. The Union will not interfere with the right of the Employees to refrain from Union membership.

Section 4. For purposes of investigating pending grievances, the Employer agrees that a duly authorized representative of the Union may have access to the Employer's premises at reasonable times during working hours 9am – 4pm with the prior consent, deemed as 24 hours except in emergency situations, of the Chief Executive Officer. Such visits shall not interfere with the performance of the job duties of any Employee, or the operation or services of the Utility.

Section 5. The Employer shall provide the Union with reasonable space on bulletin boards in convenient places to be used by the Union for the posting of official Union notices and bulletins.

Section 6. All formal negotiations or bargaining with respect to the terms and conditions of this Agreement shall be conducted by the authorized representatives of the Union and by authorized representatives of the Employer. An agreement reached as a result of such negotiations shall become effective only when ratified by the Union, approved by the Utility Board, reduced to writing, signed by the parties' authorized representative(s) and arrived at in accordance with the procedures in Chapter 20, Code of Iowa.

ARTICLE IV GRIEVANCE PROCEDURE

Section 1. Any grievance or disputes pertaining to the violation of this Agreement should be handled in the following manner and sequence. A grievance shall be defined as a dispute arising over the interpretation or application of the Agreement to a bargaining unit Employee, aka the “grievant” or “grievants.” All grievance statements must be written and signed by the grievant(s). Grievances not filed within prescribed time limits will be considered untimely and not subjected to the procedures set forth in this Article.

Step I - Prior to the filing of a formal written grievance, Employees shall meet with their Supervisor to informally resolve any matter that might constitute a grievance. Should that informal meeting not resolve the matter, then the Employee may proceed to Step II.

- Step II - Within fourteen (14) working days of the occurrence of the alleged contract violation, an Employee may initiate a grievance with his/her immediate Supervisor during regular working hours. A Union Representative may be present if the Employee desires. The Supervisor will provide the Employee a written decision within seven (7) working days after the receipt of the grievance and send a copy to the union.
- Step III - If the grievance is not resolved in Step II, the Employee or the Union shall present the grievance in writing to the Chief Executive Officer or an authorized representative within fourteen (14) calendar days of the alleged incident. The CEO or an authorized representative shall answer the grievance in writing, send a copy to the Employee and a copy to the Union within fourteen (14) calendar days following receipt of grievance.
- Step IV - Within sixty (60) calendar days, if the grievance is not resolved in Step III within the prescribed time limit, the grievance may be submitted to arbitration as provided for in Chapter 20.22 of the Iowa Public Employment Relations Act. The grievance to be arbitrated shall be submitted to the arbitrator selected from a list of five (5) names supplied by the Public Employment Relations Board or chosen by mutual agreement of the parties. The Public Employer and the Union shall each strike two (2) names, the remaining name shall be the mutually agreed upon arbitrator. The arbitrator shall not have the power to change or modify, in part or in whole, the terms or intent of the Agreement. The decision of the arbitrator shall be binding and final, with all expenses shared equally by both parties.

Section 2. The parties agree that the Employer may discipline and discharge Employees for just cause. Grievances regarding discipline and discharge shall be subject to the following procedures:

1. All Employee discipline, including suspension and discharge, may be processed as a grievance commencing at Step III within fourteen (14) days of the discipline.
2. Discipline, including suspension and discharge, of probationary Employees may be processed only through Step III, and not through Step IV (arbitration).
3. Oral and written reprimands shall not be subject to Step IV of this procedure unless and until relied upon by the Employer in instances of more serious discipline as set forth in paragraph 4 below.
4. The parties recognize that discipline and discharge are non-mandatory subjects of bargaining, and that inclusion of this subject in the contract is not required by

Chapter 20. Therefore, the Union and the Employer agree to submit Employee grievances of discipline and discharge to arbitration if and only if each of the following conditions are met:

- a) the Employee agrees to sign the waiver (Appendix A) and release of liability for the Union and the Employer;
- b) the Union agrees to process the case through Step IV.

If the Employee does not agree to sign the waiver and release of liability form (Appendix A), then the Employer and Union may not and are not obligated to process the grievance to arbitration, and Section 1 Step IV (arbitration) does not apply to that grievant or his/her allegations of a contract violation.

ARTICLE V DEFINITIONS

Regular Full-Time Employee: Has duties and responsibilities requiring full time employment for forty (40), or more, hours per week on a regular schedule throughout the year. Where used herein, the term "Employee" shall mean regular full-time Employee.

Regular-Part Time Employee: An individual employed on a regular schedule for less than forty (40) hours per week.

Temporary Employee: A Temporary Employee shall be one who is hired for a specified period of time to perform a specific project. A temporary Employee shall not attain seniority, nor shall be entitled to holiday pay, sick leave, vacation, or other benefits of the Agreement. Temporary Employees employed for a period of four (4) consecutive months or less are not covered by the terms of this Agreement.

Probationary Period: Normally, the probationary period or "working test period" will be six (6) months. This period may be extended with agreement of the Employee after notification of the Union. Upon completion of the probationary period, the Employee will gain regular status and will be considered as having satisfactorily demonstrated qualifications for the position and will be so informed by the Superintendent or Supervisor of the division.

Job Description: Written specifications will be maintained by the Employer for each position of employment. Job descriptions will include job title, statements of objectives, reporting relationships, authorities and responsibilities, and relationships other than reporting.

Qualifications: As used herein, qualifications shall mean physical fitness, training, knowledge, ability, efficiency, skill, adaptability, and approach of an Employee to the duties and responsibilities of the job classification. It is the Employer's discretion and sole judgment to determine qualifications.

ARTICLE VI TRANSFERS

1. The Employer shall decide if there is a vacancy in an existing or new position. If the Employer determines that there is a vacancy and elects to fill the vacancy, the Employer shall post the vacancy so that interested current Employees may apply.
2. Within job classification transfers. The Employer shall consider the qualifications of all Employee applicants for transfers within existing job classifications. If two or more non-probationary applicants have relatively equal qualifications, the more senior non-probationary Employee shall be given preference.
3. Between Job Classification Transfers. The Employer shall have the discretion to fill vacancies based on qualification with existing Employees or new hires when the proposed transfer is between existing job classifications or to a new job classification. If the Employer adds special requirements to an existing job classification, for transfer procedures it shall be considered a new job classification.

ARTICLE VII HOURS OF WORK

Section 1 - Work Day: The standard work day will consist of eight (8) hours with a scheduled lunch period of not less than thirty (30) minutes nor more than one (1) hour. Every Employee will be allowed to take one 15-minute break during every continuous four (4) hour work period scheduled with the concurrence of the Employer. Break periods, but not lunchtime, are counted as hours worked with pay. Scheduling will be the responsibility of Employer.

Work Week: The standard workweek will consist of forty (40) hours and will normally include five (5) consecutive standard workdays scheduled Monday through Friday.

Work Hours for Water Plant operators: The work day and work week for Water Plant Operators may not conform to the standard work scheduled as above, but work hours will aggregate eight (8) hours per day and forty (40) hours per work week.

Work Days and Hours Exceptions: The Employer may, with fourteen (14) days notice to affected Employees, institute changes in the standard work day (number of hours, length of shift, shift starting and quitting times) and/or the standard work week (number and choice of work days in the week) set forth above in the Employees' schedule. Nothing in this Agreement constitutes a minimum guarantee of work for an Employee.

Section 2 - Overtime - General Provisions: Authorized overtime will be that time worked, with approval of the Employer, over forty (40) hours in any one week and over eight (8) hours in any one day. All time in pay status shall count as hours worked. Overtime shall not be paid for non-mandatory meetings.

Non-pyramiding Provision

Payment of overtime at a premium rate shall not be compounded or paid in addition to any other premium rate paid for work incurred during the same work period. There shall be no duplication or pyramiding of any premium pay provided for under the provisions of this Agreement for the same hours worked.

Eligibility for Overtime/Rate of Pay: For all Employees covered by this Agreement, payment for authorized overtime will be at the rate of time-and-one-half (½). Compensatory Time: Overtime may be paid in either cash or compensatory time as follows:

1. The decision to receive overtime in cash or compensatory time rests with the Employee. However, the Employer reserves the right to require Employee to take cash payment rather than earned compensatory time.
2. Compensatory time shall be taken as directed by the Employer or at the request of the Employee with approval of the Employer.
3. Unused compensatory time cannot be carried over from one fiscal year to the next and shall be paid by the Employer in the final check of the fiscal year.
4. Use of the first five days of accumulated time is at the Employee's discretion. That is, the Employee will decide to receive payment for the 40 hours or to use the time. The Employer will decide whether hours over 40 are to be paid or taken by the Employee.

Section 3 - "On-Call" Time: Employees who are on call for a one-week period during off duty hours will be paid for four (4) hours of overtime pay. Employees on call for a twenty-four (24) hour period and not called out will be paid for one (1) hour overtime pay. These Employees must always be available either by phone or by pager ready to report to work.

Section 4 - Minimum Call-Out Time: Employees called to report to work, after having been relieved from their regularly scheduled tour of duty, will receive a minimum of two (2) hours overtime even though the actual work is less than two hours. If the overtime work begins less than two (2) hours before the beginning of the regular shift, the Employee will be paid at the overtime rate for the hours actually worked. An Employee receiving the two hour minimum overtime credit for less than two (2) hours of work will be considered to be on duty for two (2) hours from the time called (and if directed, is expected to work).

Section 5 - Relief Period - Overtime Work Prior to Regular Shift:

If an Employee:

- 1) Has worked six (6) hours overtime and has not been relieved four (4) hours or more before start of regular shift, he/she will NOT work any portion of his/her next tour of duty without taking six (6) hours relief. Employee will be paid at the straight time rate for any regular work hours missed while required to take a relief period.

- 2) Has worked four (4) hours but less than six (6) hours overtime, he/she may elect to take a six (6)-hour relief period OR to work his/her regular tour of duty at the straight time rate.
- 3) Has worked less than four (4) hours, he/she will work his/her regular tour of duty at the straight time rate.

The Employer may require the Employee to work any portion of his/her standard workday or week following the relief period at the straight time rate of pay. Work required by the Employer, without relief period as provided above will be at the overtime rate.

Section 6 - Change of Shifts: If an Employee is relieved from his/her regular shift before completing eight (8) hours work and is requested to return during the same day to begin work on another established shift, such Employee will be paid at the overtime rate for all hours worked during the first new shift, (except if schedule change is done in compliance with Section 5).

Section 7 - Notice of Change in Schedule: Twenty-four (24) hours notice will be given where there is to be a temporary change in work schedule. If twenty-four (24) hours notice is not given, an Employee will be paid at the straight time rate for hours worked during his/her regular work schedule and at the overtime rate for other hours worked within twenty-four (24) hours from time of notice.

Section 8 - Overtime For Temporary or Part Time Employees: Employees hired for part-time or temporarily will be compensated for overtime worked at the prevailing overtime rates prescribed by this Agreement.

Section 9 - Expenses for Meals While on Overtime: The Employer will pay for meals for Employees working mandatory overtime unless Employee is allowed to return to headquarters before a normal meal period, except that if an Employee works 5 hours or more the Employer shall provide meals every 5 hours during the overtime period. Payment for Employee's meals during that period will not be allowed. Meals will be approved by the Employer based on reasonable cost and general area where purchased.

ARTICLE VIII LAYOFFS

1. Determination as to whether a lay-off is necessary shall be the sole prerogative of the Employer, and shall not be subject to the grievance procedure.
2. The Employer shall give at least thirty (30) days notice to the Union in the event of a lay-off.

3. Lay-offs shall occur within affected job classifications, and shall be based upon seniority with the least senior Employee within the affected classification being laid-off first.
4. The displaced Employee may bump the least senior Employee in a job classification previously held by the displaced Employee or in an entry level position (bumped Employee must also have less seniority), provided that the displaced Employee is qualified for the position and able to perform the work.
5. Laid-off Employees shall be called back in reverse order of their lay-off for a period not to exceed two (2) years to vacancies in the last held job classification, previously held job classifications or entry level positions; provided, that the recalled Employee is qualified for the position and able to perform the work. Laid-off Employees have the obligation to keep the Employer advised as to their current address. Notification of recall shall be in writing by certified mail. If the recalled Employee does not accept the recall offer within fourteen (14) days, the offer is declined.

ARTICLE IX HOLIDAYS

Section 1 - Holidays: Regular-Full Time, Regular-Part time and Probationary Employees will be allowed ten (10) holidays per year with pay provided they are on pay status on the regularly scheduled work days both immediately preceding and immediately following the holiday.

The following holidays will be observed as non-work days:

1. New Year's Day
2. Memorial Day
3. Fourth of July
4. Labor Day
5. Veteran's Day
6. Thanksgiving Day
7. Day after Thanksgiving
8. ½ Day Christmas Eve & ½ Day New Year's Eve *
9. Christmas Day
10. Floating Holiday

Section 2- Holidays on Day off: When a holiday falls on a Sunday, the Monday following will be observed as a holiday. When a holiday falls on a Saturday, the holiday will be observed on the preceding Friday. When a holiday falls on any other day of the week and coincides with an Employee's day off, they will receive an additional day's pay or day off, at the option of their immediate Supervisor with approval.

*When the ½ days for Christmas Eve and New Year's Eve fall on a Monday, Tuesday, Wednesday or Thursday, it should be observed as the Holiday. In all other years, the half day holiday on Christmas Eve and New Years Eve shall be observed as one additional non-work day, in a similar fashion as a Floating Holiday.

Section 3 - Holiday Work: Employees called for holiday work and those whose scheduled shift falls on a holiday, or on any day observed in lieu thereof, will be paid one and a half times (1 ½) times the hours worked (including time in excess of eight (8) hours) plus straight time for their standard work day. Thus, the total compensation for holiday work will not exceed double time and one-half.

ARTICLE X VACATIONS

Section 1 - Vacations - General Provisions: It is the intention of the Employer to allow regular full-time and part-time Employees vacation time such that they will be relieved of their obligation to report for work for a period of time each year. Any vacation must be in writing and subject to approval by Employee's Supervisor. During the vacation period, the Employee is to receive pay at the regular straight time rate for as many hours as he or she would regularly be employed during that time. The provisions of this Agreement cover the extent of vacation allowances. Although accrual of vacation will begin with first pay period, it is only available for use after completing probationary period. Requests for vacations will be approved as soon as possible.

Section 2 - Vacation Credit: Employees will be credited with their vacation earning rate each pay period. Employees shall be allowed to use vacation credits in hourly increments.

Section 3. The regular full-time Employee will earn vacation at the following rate (regular part-time Employees' vacation will be pro rated):

YEARS OF SERVICE	VACATION DAYS PER YEAR	MAXIMUM ACCRUAL
1st year	5 days/year	5 days
2nd - 4th years	10 days/year	15 days
5th - 9th years	12 days/year	18 days
10th - 14th years	15 days/year	22.5 days
15th - 19th years	17.5 days/year	26.5 days
20th - 24th years	20 days/year	30 days
25 years and over	25 days/year	37.5 days

An Employee may not accumulate more than one and one-half (1 ½) times his/her annual earning rate without either (1) taking the vacation before reaching the maximum earning rate, or (2) losing the vacation over the maximum earning rate. Upon application and good cause, the CEO may allow an additional week accrual. This additional week shall not be considered or included in "unused vacation" paid upon termination as set forth in Section 4 below.

Section 4 - Vacation Credit at Termination: Upon termination of employment, an Employee will be paid for unused vacation credit. Such time will be paid for at the rate of pay applicable at the time of termination.

ARTICLE XI LEAVES OF ABSENCE

Section 1 - Sick Leave - Granted Circumstances: Sick leave accrued may be used under the following circumstances:

- a) Physical incapacity not arising out of or in the course of the employment.
- b) Personal illness, including health care appointments during working hours. (Also see Maternity Leave)
- c) To tend to the necessary health care needs of the Employee's immediate family (spouse, child, step-child, parent, grandparent, sibling, mother-in-law, father-in-law, or related person living in the immediate household of Employee.)
- d) Enforced quarantine of Employee in accordance with community health regulations.

Section 2 -Sick Leave Administered:

- a) Requests for sick leave should normally be made to the Employee's immediate Supervisor prior to the time the Employee is regularly scheduled to report for duty.
- b) Sick leave will be chargeable only when used on regularly scheduled work days or work periods and not on vacation time.
- c) The Employer may require an Employee to submit a medical certificate of illness for any sick leave.

Section 3 - Accumulation of Sick Leave: Regular-Full time and Probationary Employees earn sick leave of 3.70 hours per pay period annualized to a maximum of 12 days per year. Unused credit for sick leave shall accumulate up to a maximum of 72 working days. Regular-Part Time Employees earn sick leave on a pro-rated basis.

Section 4 - Exclusions From Sick Leave: Payment of wages for sick leave will not be made when an absence is caused by the use of alcohol or illegal narcotics. An Employee may use available Sick Leave to participate in a drug or alcohol rehabilitation program.

Sick leave is provided as an insurance against an Employee's illness and inability to work. In no sense is it a right that the Employee may use for any purpose other than set forth in this Agreement.

Section 5 - Payment of Unused Sick Leave: Any unused sick leave up to seventy-two (72) days will be credited to a retiring Employee at the time of retirement. Also, if an Employee becomes disabled and cannot work due to an on-the job accident, said Employee will be credited with unused sick leave at the time declared permanently disabled by Workmen's Compensation Insurance. (In the event of non-occupational disability, refer to your insurance booklet for use of sick leave). In the case of death of a full time Employee, any unused sick leave will be made as a cash payment to the Employee's beneficiary as designated in the Employee's life insurance policy.

Any Employee with the maximum sick leave accumulation of seventy-two (72) days will be paid for one-third (1/3) of any unused sick leave over the maximum in a given year at the Employee's applicable hourly rate of pay. The period covered for said payment will be from December 1 through November 30 each year with payment being made prior to Christmas.

Section 6 - Disability Leave of Absence:

a. Definitions

NON-OCCUPATIONAL DISABILITY is disability from any illness or organic sickness or disability by accident off the job, or accident on the job not in the line of assigned duties, and/or involving gross negligence or carelessness or where there has been a breach of established rules or procedures.

OCCUPATIONAL DISABILITY is disability from an occupational disease or disability from an accident which occurs on the job in performance of assigned duties where there has been no gross negligence or carelessness on the part of the injured Employee, and where there has been no breach of established rules or procedures.

- b. Employees who have a non-occupation disability and who have exhausted their sick leave and unused vacation may request an unpaid leave of absence for verified medical disability for up to one year. During this leave the Employee may, if qualified, receive short-term or long-term disability. At the conclusion of this leave, if the Employee is unable to return to work with or without a reasonable accommodation that does not impose an undue hardship on the Employer, at the conclusion of the leave their employment is terminated. If the

Employee regains health, at the end of the year or earlier, the Employee shall be recalled to the first available position in the job classification they previously held. (Pursuant to Article VIII, section 5, total absence from work shall not exceed one and one-half (1 ½) years).

- c. Employees who have an occupational disability and who have exhausted their sick leave and unused vacation may request an unpaid leave of absence for their verified medical disability for up to two years. Upon request of the Employee, extensions may be granted for up to one year subject only to medical verification.

At the conclusion of this leave, if the Employee is unable to return to work with or without a reasonable accommodation that does not impose an undue hardship on the Employer at the conclusion of the leave, their employment is terminated.

If the Employee regains health, at the end of the leave or earlier, the Employee shall be recalled (pursuant to Article VIII, section 5, total absence from work shall not exceed three (3) years) to the first available position in:

- a) any job classification they previously held, or
- b) any position for which they are qualified (which shall be subject to probationary period).

Section 7 - Leave for Military Reserve Training: A full-time Employee who is a member of the National Guard, or any reserve component of the Armed Forces of the United States, is entitled, if called up for training or active duty, upon application therefore to a leave of absence from duties. The Employee shall take the first thirty (30) days without loss of pay unless such Employee has been employed less than six (6) months preceding application for military leave, in which case he/she will not be entitled to receive pay for any period during which he/she is on military leave. When an Employee is called for such duty, he/she will transfer to the Employer his/her military pay received but not in excess of the amount he/she would receive as his/her regular compensation from the Employer for the time covered by his/her absence. This paragraph is intended to comply with the provisions of Section 29A.28, Code of Iowa.

Section 8 - Extended Military Leave: When an Employee leaves a position, whether voluntary or involuntary, in order to perform military duty, such Employee may be granted a leave of absence to extend to the termination of such military duty plus ninety (90) days. Leave granted for extended military leave will be leave without pay.

Section 9 - Funeral Leave: In the event of the death of someone in the Employee's immediate family (spouse, child, parent, grandparent, brother, sister, step or in-laws, or related persons living in immediate house hold of Employee), a paid leave of three (3) days may be granted upon approval of the Employee's immediate Supervisor. Leave requests pursuant to this paragraph may be denied in order for the Employer to maintain the Utility's operational efficiency or safety.

When an Employee serves as a pallbearer, or in some other way participates in a funeral ceremony, the Employee will be granted unpaid time off to perform such duty, up to but not to exceed four (4) hours.

An Employee may take up to three (3) days unpaid leave or use any available vacation or comp time to attend the funeral of a close friend or relative and travel is necessary. The Employee should understand this leave is for the funeral only.

Section 10. For any of the above leave, a request form must be filled out and approved by Employee's Immediate Supervisor.

Section 11 - Leave for Jury Duty: When an Employee is called to serve on a jury, they will not suffer any loss of compensation. Normally, when an Employee is called for such duty, they will transfer any compensation for serving on jury duty to the Employer and then receive their regular compensation for the time covered by the absence. Time not worked because of such service will not affect the vacation or sick leave accrual.

A request for leave to serve on jury duty must be filled out by the Employee and submitted to their immediate supervisor.

Section 12 - Maternity Leave: An Employee who is disabled by a pregnancy will be allowed leave comparable to any other temporary disability. Timely notice must be provided and her physician must provide weekly certification of her continued disability. All sick leave must be used first, then she may use vacation or she may file for short-term disability as outlined in the Employer's health insurance coverage.

For normal pregnancy, an Employee will be granted eight (8) weeks off with pay after delivery so long as she has accumulated that amount of sick leave and/or vacation prior to the start of the eight weeks.

An Employee who has not accumulated eight (8) weeks sick leave and/or vacation shall be granted eight (8) weeks off without pay or with pay until such time as she has used up all accumulated sick leave and/or vacation. She may then be eligible for short-term disability as outlined in the Employer's health insurance coverage.

In NO case will an Employee be required to take eight (8) weeks leave. She may return to work as soon as her physician certifies that she is able to perform all duties relating to her job.

At the end of the eight (8)-week period after delivery discussed above, the Employee will return to full-time employment able to perform all duties of her job classification, or she must have a physician's certification stating she is unable to perform her duties.

In such an event, she would continue using sick leave, vacation or disability as available until such time as she is able to commence her duties. A request for maternity leave must be filled out and approved by the Employee's immediate Supervisor.

Section 13 - Leave of Absence for Candidacy and Public Service: An Employee who is elected or appointed to a public office, board, commission, or taskforce or who becomes a candidate for elective office, upon request of the Employee, shall be granted a leave of absence without pay. Leave of absence is granted to implement the provisions of Chapter 55, Code of Iowa. Upon return, the Employee shall have recall rights the next available position in his/her job classification or for which he/she is qualified, at the appropriate pay for the position. (Subject to the provisions of Article III, section 5).

ARTICLE XII MISCELLANEOUS

Section 1 - Training and Travel: Employees may participate in training programs of various kinds as indicated by needs, interest and State or Federal mandate and directed by the Superintendent. Training may take the form of scheduled courses, attending conferences, conventions, meetings, special schools and the periodic showing of films and demonstrations dealing with phases of Utility operations. Upon prior approval of the Chief Executive Officer and satisfactory completion of a job-related course, the Employee will be reimbursed for the full amount of his tuition fees, materials, travel, meals, and other related costs, less any advances.

Attendance At Schools And Meetings: Decisions concerning attendance at conferences, conventions, meetings, special schools and other training programs will be made by the Employer. A request form must be completed prior to leaving for any schools or meetings out of town.

Reimbursement For Travel - Cash Advances: Cash advances will only be allowed for Employee education, travel and training expense as indicated below. Employees will be reimbursed for expenses upon return to work provided their expense report and receipts have been submitted and approved by the Employer.

Employees may request a cash advance for training and travel. The Chief Executive Officer, or an authorized representative, may grant the request.

Expense for Meals and Lodging: "Reasonable" meals and lodging expenses incurred while an Employee is attending a school, seminar, conference, etc., will be reimbursed to the Employee upon their return to duty provided such expenses have been approved by the Employer.

Transportation Expenses: Employees authorized to use personal vehicles in conjunction with job related duties or for job related travel will be reimbursed for mileage at the prevailing Federal reimbursement rate. Mileage by private vehicle will start with the odometer reading and show

the ending odometer reading as proof of the mileage required to reach the destination and return. All miles driven during the course of the event, other than for the event, will not be covered. The Employee is responsible for their own vehicle insurance and/or cost to repair their vehicle, when used for business and/or travel.

The Employee will use coach air travel or the most economical and appropriate form of ground transportation to attend meetings, schools, etc. Travel arrangements must be pre-approved by the Employer.

Section 2 - Uniform and Boot Allowance

Certain designated job classifications will be provided with a uniform allowance for approved apparel and safety footwear. Reimbursement will be allowed up to \$400 per calendar year. Any amounts over \$400 per year will be paid by the Employee. The Employer has the option of utilizing a quartermaster system in lieu of this clothing allowance. The appropriate IRS regulations apply.

Section 3 - Employee's Right To Review Personnel File:

Employees will have the right to review their own personnel file after following these procedures:

1. Employee will sign a request form.
2. The Chief Executive Officer will be notified of the request.
3. File will be reviewed in the presence of the Employer. Files must not leave the Employer's property.
4. Employee may request copies of any material contained in the file.

If any additions are made to any personnel file, a copy of same will be provided to the affected Employee at that time.

An Employee has the right to prepare a written rebuttal to any information contained in his or her file and such rebuttal will become a permanent part of the Employee's file.

No material will be deleted from any personnel file at any time without notice to the Employee.

Section 4. A Labor/Management Committee will be organized to discuss issues of concern to both the Employees and the Employer. Meetings will be held as needed. The committee will consist of six (6) members; three (3) members selected by the Union and three (3) members selected by the Employer.

This committee shall afford both labor and management a forum to discuss items that may be of interest to both parties. The Committee is established as a communication vehicle only and shall not have authority to bind either the Union or management with respect to any of the items discussed. Union representatives will be in pay status for all time spent in Labor/Management Committee meetings held during their regularly scheduled hours of employment.

Matters of Employee safety in the performance of their jobs, procedures and the operation of the Employer's equipment are proper subjects for discussion and action of the Labor Management Committee meetings.

ARTICLE XIII SAFETY

1. The Harlan Municipal Utilities will provide:
 - a) Hard hats for all Employees, as required
 - b) Full cost of initial eye exam and \$50 (fifty dollars) every other year toward the cost of subsequent eye examinations.
 - c) Cost of suitable safety glasses, not to exceed \$150 (one hundred and fifty dollars) every other year when prescription lenses are necessary and replacement cost in the interim if loss or breakage is not due to Employee negligence.
 - d) Employees working in hazardous areas will be furnished with the proper safety equipment to perform their duties in a safe manner. Items which will be purchased for the Employees will include, but not be limited to, equipment to work with 'hot' wires, live gas mains, poisonous or corrosive chemicals, etc.
2. Employees will:
 - a) Provide the cost of replacing suitable safety glasses, if the glasses are lost or broken through negligence.
 - b) Cooperate with this policy by wearing personal protection equipment while on the job. Employees not wearing appropriate safety equipment while on the job will not be allowed to continue on the job until such equipment is worn.
3. Requests by Employees for purchase of safety equipment, as provided in Items 1a-d, will be made to the Operations Manager and, upon approval an order will be issued for purchase of same.

ARTICLE XIV HEALTH INSURANCE

Section 1 - Health Insurance:

All regular full time Employees (see insurance booklet for requirements for part time Employees), after one (1) month of employment, are eligible to join a group Health and Accident Insurance program which provides for payment to members for limited medical, dental and hospital bills and weekly benefits for periods of disability as a result of non-occupational accident or disease.

Any Employee who uses up all vacation and sick leave and is granted a leave of absence and is not on the payroll must pay their proportionate share of their Health and Accident Insurance premiums. Employees who exhaust all sick leave, vacation leave, and medical leave apply for disability insurance and they are no longer on the payroll or employed by the Utility (see Article XI, Sec. 6, for leave and recall rights).

Health, Dental & Disability Insurance booklets are furnished to all Employees eligible for coverage at time of issue.

Section 2 - Hospital, Medical, Dental, and Disability Insurance:

Regular full-time Employees, after one (1) month of continuous service, are eligible to participate in a comprehensive hospital, medical, dental and disability plan. This plan is designed to assist the Employee in payment of burdensome expenses resulting from non-occupational illness or injury, which involves hospital, surgical, dental or medical charges, and weekly benefit payments for disability.

The coverage is reviewed annually by the H.M.U./City of Harlan Insurance Committee. During the term of this agreement, the Utility may make reasonable changes in the plan that does not constitute a substantial diminution or loss of benefits. The Utility may make more substantial changes in the plan only after negotiating proposed changes with the Union. The Utility will not make changes in Employee contributions or deductibles during the term of this contract. Employees will be notified of any changes made to the plans and will be provided with revised booklets. Employees' contributions shall be as follows:

<i>Deductibles:</i>		<i>Single</i>	<i>Family</i>
	<i>July 1, ,2004</i>	<i>\$350/yr</i>	<i>\$700/yr</i>
	<i>July 1, 2005</i>	<i>\$400/yr</i>	<i>\$800/yr</i>
<i>Employee</i>			
<i>Contributions:</i>			
	<i>July 1, 2004</i>	<i>\$20.01/Mo (6%)</i>	<i>\$41.10/Mo (6%)</i>
	<i>July 1, 2005</i>	<i>6%</i>	<i>7.5%</i>
	<i>July 1, 2006</i>	<i>6%</i>	<i>8.0%</i>

Section 3. The Employer will provide each eligible non-probationary, regular full-time Employee a group term life insurance policy in the amount of one and one-half (1 ½) of the Employee's annual salary.

Section 4. The Employer will provide each eligible regular full-time Employee a Dental Plan for the Employee and his family.

Section 5 - Physical Examinations, Voluntary: Employees may elect to voluntarily have a complete physical examination each year. As long as the cost of voluntary physicals is not covered under the Health Insurance Plan, the Employer will pay the Employee up to \$50 maximum out of its general fund to help defray the cost of the physical.

Section 6 - COBRA - Continuation of Health Insurance: on April 7, 1986, a Federal law was enacted (Public Law 99-272 Title X) requiring that most Employers sponsoring group health plans offer Employees and their families the opportunity for a temporary extension of health coverage at group rates in certain instances where coverage under the plan would otherwise end.

ARTICLE XV WAGE ADMINISTRATION

Section 1. All new Employees will be hired at or above the base rate of pay in the job classification established by the Employer.

Upon completion of the probationary period of one hundred eighty (180) calendar days, an Employee's employment shall be considered permanent. However, all wage changes shall become effective beginning with the first (1st) pay period following the granting of a wage increase.

Section 2.

Effective July 1, 2004: 3% increase and Journeyman Linemen receive an additional one step increase as listed in Appendix B

Effective July 1, 2005: 3% increase as listed in Appendix B

Effective July 1, 2006: 3% increase and Journeyman Linemen receive an additional one step increase as listed in Appendix B

The Employer may continue its current practice of performance based merit step increases.

Section 3. All regular full-time Employees shall be paid, in addition to their base or normal hourly rate, longevity pay for their years of service with the Harlan Municipal Utilities as follows:

After 10 th year through 14 th year	\$.15 per hour
After 15 th year through 19 th year	\$.20 per hour
After 20 th year through 24 th year	\$.25 per hour
25 th year and beyond	\$.30 per hour

Section 4 - Reclassifications: A change in a position may raise or lower it to a higher or lower pay factor base and/or performance range. Any Employee may submit a request for a change in classification to the CEO. When it has been determined that a substantial change in organization or duties necessitates a reclassification, such change will be authorized by the CEO.

Reclassification of Position Downward: When an individual(s) is reassigned by the Employer under this Section to a class with a lower pay range, the Employee so affected will not be reduced in salary. When the position that has been reclassified downward is filled either by a new Employee, or at the request of a current Employee, the lower salary range will be applicable.

Section 5. The Employer agrees to continue the Deferred Compensation Plan as provided in the "Employee Rules & Regulations Handbook" and all Employees shall be allowed the option to participate in the plan.

Section 6 - Pay Day: Employees are paid biweekly. Pay checks are issued on the Thursday following the last day of each pay period, and time-cards or a time sheet must be submitted for all hours worked prior to processing of paychecks. Each pay period covers a two (2) week period from Monday through Sunday.

Section 7 - Shift Bonus Hours: Shift bonus hours, paid at the straight time rate, will be given for certain Water Plant Operator positions as follows:

4:00 p.m. - 12:00 Midnight	(1) one hour/week
12:00 Midnight - 8:00 a.m.	(2) hours/week
Swing shift	(3) hours/week

ARTICLE XVI

COMPLETE AGREEMENT AND SAVINGS CLAUSE

Section 1 - Complete Agreement: Both parties acknowledge that, during the negotiations which resulted in this Agreement, each party had the right and opportunity to make or change proposals and articles with respect to subject or matters not removed by law from the area of collective bargaining. The understandings and agreements arrived at by both parties after the exercise of such right and opportunity are set forth in this Agreement.

The Harlan Municipal Utilities and the American Federation of State, County, and Municipal Employees, AFL-CIO, agrees that for the duration of this Agreement, the other shall not be obliged to bargain collectively with respect to any subject or matter referred to or covered in this Agreement, even though such subject matter may or may not have been acknowledged or contemplated by either or both parties at the time this Agreement was negotiated.

Section 2 - Separability and Savings Clause: In the event any provisions of this contract conflict with the existing laws of the United States or of the State, as determined by a court or other governmental agency of competent jurisdiction, that part of said contract in conflict therewith shall not be applicable until such laws be changed, either by legislative action or judicial interpretation. It is specifically agreed, however, that all provisions of said contract not in conflict with the applicable laws shall be enforceable, and only that part that conflicts with said law shall be unenforceable; and nothing contained in this contract shall be construed as to require the Employer or the Union to violate any applicable laws. Both Employer and the Union state that it is their intent to comply with all existing laws.

ARTICLE XVII DURATION OF AGREEMENT

The provisions of this Agreement shall be effective as of July 1, 2004, and shall remain in force and effect until its expiration date, June 30, 2007.

Should either party desire to modify, amend or terminate this Agreement, written notice must be served on the other party as set forth in Chapter 20 of the Code of Iowa. This Agreement will remain in effect from year to year after the expiration date, if written notice is not otherwise received.

In the event any clause or provision of this Agreement is declared invalid by reason of any existing or subsequently enacted legislation, or by decree of a court or competent jurisdiction, the remaining portions and provisions shall not be declared invalid and they shall remain in full force and effect.

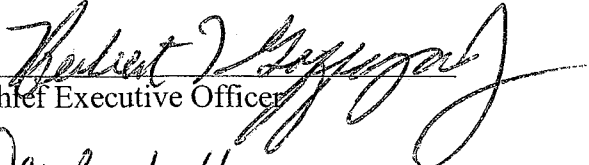
INSCRIPTION


This contract is entered into by the following representatives:

For Harlan Municipal Utilities

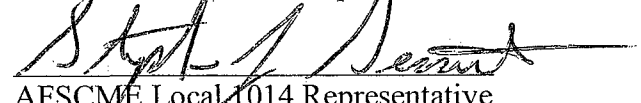
Negotiating Committee for American
Federation of State County and Municipal
Employees Local 1014



Board Chairman


Chief Executive Officer


Management Representative



AFSCME Local 1014 Representative


AFSCME Local 1014 Representative


AFSCME Local 1014 Representative

AFSCME Local 1014 Representative


Utility Chief Negotiator

AFSCME Council 61 Representative

AFSCME Chief Negotiator

APPENDIX A

WAIVER & RELEASE

The grievant fully and forever releases and discharges the Utility and its directors, officers, employees, agents, trustees, administrators, consultants, contractors, and attorneys, whether past, present, or future, and all predecessors, successors, and assigns thereof from any and all claims, demands, agreements, causes of action, injunctions, and restraints or liabilities of whatever kind, whether in law, equity, or otherwise, and whether now known or unknown or which have ever existed or now exist, including but not limited to, claims, liabilities, or causes of action relating to or arising out of the grievant's recruitment, hiring, employment, or separation from employment with the Utility, such as (by way of example only) claims under the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. §621 et. seq., Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§2000e et seq., The Civil Rights Act of 1991, the Americans With Disabilities Act, 42 U.S.C. §§12181-12189, The Employee Retirement Income Security Act of 1974, as amended, the Iowa Civil Rights Act, as amended, Iowa Code §§216 et seq., Iowa Code §70A.28, the Iowa Wage Payment Collection Law, Iowa Code §91A, claims under any local rule, state or federal statute, claims under common-law, claims for breach of contract, claims for any tort, claims for any wrongful discharge, or any other claims which could have been but have not been asserted.

The grievant covenants not to sue or to institute or cause to be instituted any kind of claim or action (except to enforce this agreement to arbitrate) in any federal, state, or local agency or court against the Utility and the Union arising out of or attributable to grievant's employment, or separation from employment with the Utility, or any other action or cause of action released above.

APPENDIX B
HARLAN MUNICIPAL UTILITIES UNION QUALIFYING EMPLOYEES

Wage scale effective July 1, 2004 through June 30, 2007					
EMPLOYEE NAME	JOB TITLE	Base pay 4/20/04	7/1/04	7/1/05	7/1/06
Anderson, Susan	Customer Service Representative, Utilities	14.31	14.74	15.18	15.64
Bielenberg, Richard	Meter Reader/Gas Serviceman	15.71	16.18	16.67	17.17
Bissen, Kevin	Water System Operations Technician	16.91	17.42	17.94	18.48
Block, Ronald	Water System Operations Technician	16.91	17.42	17.94	18.48
Buttry, Denise	Customer Service Representative, Telecommunications	14.31	14.74	15.18	15.64
Clark, David	Utilityman	15.71	16.18	16.67	17.17
Clark, Lewis	Journeyman Lineman	18.14	19.22	19.80	20.99
Conrad, Charles	Gas/Meter Technician	17.77	18.30	18.85	19.42
Custer, Cole	Gas/Meter Serviceman	16.91	17.42	17.94	18.48
Dugan, Sherry	Customer Service Representative, Telephone	12.00	12.36	12.73	13.11
Gessert, Darwin	Gas Serviceman/Meter Reader	15.71	16.18	16.67	17.17
Gessert, Dean	Journeyman Lineman	18.14	19.22	19.80	20.99
Gessert, Stephen	Customer Service Technician/Service Repair	13.54	13.95	14.36	14.80
Goede, David	Journeyman Lineman	18.14	19.22	19.80	20.99
Goeser, Deb	Receptionist/Bookkeeper	12.37	12.74	13.12	13.52
Hansen, Tom	Water System Maintenance Technician	17.33	17.85	18.39	18.94
Holloway, Kenneth	Customer Service Technician/Maintenance	17.33	17.85	18.39	18.94
Ickes, Allan	Gas/Meter Foreman	19.21	19.79	20.38	20.99
Murray, Dan	Customer Service Technician/Lead	18.66	19.22	19.80	20.39
Patten, Steve	Journeyman Lineman	18.14	19.22	19.80	20.99
Spieker, Leah	Marketing Associate	13.54	13.95	14.36	14.80
Swank, David	Customer Service Technican/Installer	11.44	11.78	12.14	12.50
Underwood, Josh	Water System Operations Technician	16.91	17.42	17.94	18.48
Wingert, Paul	General Maintenance and Stores	13.54	13.95	14.36	14.80
* Rates do not include any merit increases or Longevity between 4/19/04 7-1-04 through 6-30-06.					

SIDE LETTERS

Peter Pashler
Attorney
Ahlers law Firm
100 Court Avenue
Des Moines, Iowa 50309

Dear Peter,

Per the agreement reached during the contract negotiations for the 1999-2001 Agreement, the following exceptions to the contract were reached in regards to the Marketing Associate position.

1. Hours- Article 8.
 - a. The employee will work flexible hours, taken with the approval and direction of the Supervisor. The employee will work 40 hours per week (Section 1).
 - b. The employee will either be paid overtime for hours worked over 40 hours per week or accrue compensatory time pursuant to Section 2
 - c. The following sections do not apply to the employee working this position.

Section 3- On Call Pay
Section 4- Minimum Call Out Pay
Section 5- Relief Periods
Section 8 Change of Shifts
Section 9- Notice of Change

2. The Employer shall continue its current practice of paying commissions to this position.

Sincerely,

Dan Homan
Union Representative

Accept and Concur

Peter Pashler
HMU Chief Negotiator